

FISCAL NOTE

HB 548 - SB 1165

February 24, 2001

SUMMARY OF BILL:

- Expands the definition of "farm equipment and machinery" in TCA 67-6-102(9) to include trailers used to transport corn, wheat, oats, rye, soybeans, rape seed, canola and grain sorghums.
- By expanding the definition, the trailers used to transport these grains would be exempt from sales tax.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - Exceeds \$100,000

Decrease Local Govt. Revenues - Exceeds \$27,000

Estimate assumes the following:

- Based on the 1997 Census of Agriculture in Tennessee, there are approximately 76,000 farms.
- Approximately 1% or 760 farms purchase a trailer each year.
- The average price of each trailer is approximately \$2,500.
- The average sales tax revenue generated from the sale of each trailer is \$150 for the state and \$36 for local governments.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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